



OFFICE OF AUDITOR OF STATE
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David A. Vaudt, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE

November 1, 2011

Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released a report on the Iowa Veterans Home and the Iowa Department of Veterans Affairs for the year ended June 30, 2010.

The Iowa Commission of Veterans Affairs, which consists of nine members appointed by the Governor and confirmed by the Senate, oversees the conduct and operations of the Iowa Veterans Home and the Iowa Department of Veterans Affairs.

The Iowa Veterans Home, located in Marshalltown, Iowa, provides long-term health care for Iowa's aging, chronically ill, handicapped veterans and their dependent or surviving spouses. The annualized cost per resident was \$108,174 in fiscal year 2010, a 2.9% increase over the prior year. The average number of residents decreased from 709 in fiscal year 2009 to 689 in fiscal year 2010.

The Iowa Department of Veterans Affairs, located at Camp Dodge in Johnston, Iowa, administers the War Orphans Educational Fund, maintains military service records of Iowa veterans and provides assistance to and training for County Commissions of Veterans Affairs.

A copy of the report is available for review at the Iowa Veterans Home, the Iowa Department of Veterans Affairs, in the Office of Auditor of State and on the Auditor of State's website at: <http://auditor.iowa.gov/reports/1160-6710-BR00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE IOWA VETERANS
HOME AND THE IOWA DEPARTMENT OF VETERANS AFFAIRS**

JUNE 30, 2010

Office of
**AUDITOR
OF STATE**
State Capitol Building • Des Moines, Iowa



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October 27, 2011

To the Members of the Iowa
Commission of Veterans Affairs:

The Iowa Veterans Home (Home) and the Iowa Department of Veterans Affairs (Department) are part of the State of Iowa and, as such, have been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2010.

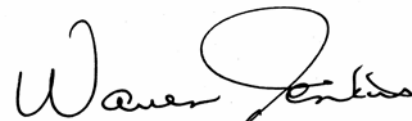
In conducting our audits, we became aware of certain aspects concerning the Home's and the Department's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which include those reported in the State's Report on Internal Control, as well as other recommendations pertaining to the Home's and the Department's internal control, compliance with statutory requirements and other matters. These recommendations have been discussed with Home and Department personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Home's and the Department's responses, we did not audit the Iowa Veterans Home's and the Iowa Department of Veterans Affairs' responses and, accordingly, we express no opinion on them.

We have also included in this report certain unaudited financial and other information for the Iowa Veterans Home for the five years ended June 30, 2010 to report an average annualized cost per resident as required by Chapter 11.28 of the Code of Iowa.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Veterans Home and the Iowa Department of Veterans Affairs, citizens of the State of Iowa and other parties to whom the Iowa Veterans Home and the Iowa Department of Veterans Affairs may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Home and the Department during the course of our audits. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Home and the Department are listed on page 9 and they are available to discuss these matters with you.


DAVID A. VAUDT, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations for the Iowa Veterans Home

June 30, 2010

Findings Reported in the State's Single Audit Report:

No matters were noted.

Finding Reported in the State's Report on Internal Control:

Payroll - Departments process and record payroll and personnel information on the Human Resource Information System (HRIS). The Human Resource Associates utilize an online P-1 document to initiate and approve payroll actions, such as adding new employees and recording pay raises.

Three individuals at the Iowa Veterans Home (IVH) have the ability to initiate and approve a personnel action and apply departmental level approval.

Recommendation - To strengthen controls, the Iowa Veterans Home should develop and implement procedures to segregate the approval duties of payroll or develop an internal exception report, or receive one through HRIS, and have an independent person document their review on a regular basis.

Response - Procedures have been implemented in fiscal year 2011 to have DAS-Human Resources Enterprise generate a quarterly report which shows the P-1 transactions. This report will be reviewed by the IVH supervisor of personnel.

Conclusion - Response accepted.

Other Findings Related to Internal Control:

No matters were noted.

Finding Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations for the Iowa Department of Veterans Affairs

June 30, 2010

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Reported in the State's Report on Internal Control:

No matters were noted.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

Injured Veteran Grant Program – The Injured Veteran Grant Program provides a maximum of \$10,000 to a member or former member of the U.S. military who are Iowa residents and who were seriously injured in a combat zone or in a zone where the member was receiving hazardous duty pay after September 11, 2001. For two of ten grants tested, we were unable to determine if the military member or former member met the eligibility requirements of Chapter 35A.14 of the Code of Iowa because sufficient supporting documentation was not retained.

Recommendation – The Department should develop procedures to ensure sufficient supporting documentation is obtained and retained to ensure military members or former members are eligible for the grant.

Response – Since assuming my duties as Executive Director in January 2011, we have reviewed and revised the process for approving applications. We will continue to look at ways to improve this program.

Conclusion – Response accepted.

Iowa Department of Veterans Affairs
Iowa Veterans Home

Average Cost per Resident
(Unaudited)

For the Last Five Fiscal Years

Fiscal Year	Average Number of Residents	Average Number of Employees	Annualized Cost Per Resident	Average Daily Cost Per Resident
2010	689	988	\$108,164	\$296.34
2009	709	1,015	105,158	288.10
2008	715	1,054	104,797	287.12
2007	708	1,002	95,090	260.52
2006	700	1,033	92,577	253.64

Iowa Department of Veterans Affairs
Iowa Veterans Home

Resident Population Statistics
(Unaudited)

Year ended June 30, 2010

Population beginning of year	<u>717</u>
Admissions:	
First admissions	141
Readmissions	9
Returns:	
Home visits/furlough	<u>332</u>
Total admissions	<u>482</u>
Released:	
Discharges	73
Deaths	141
Home visits/furlough	<u>331</u>
Total released	<u>545</u>
Population end of year	<u><u>654</u></u>
Daily average resident population	<u><u>689</u></u>

Iowa Department of Veterans Affairs
Iowa Veterans Home

Operating Expenditures by Object - General Fund
(Unaudited)

Year ended June 30, 2010

Personal services	\$ 59,756,760
Travel	156,216
Supplies and materials	5,335,433
Contractual services	8,279,224
Capital outlay	854,549
Claims and miscellaneous	138,561
Licenses, permits and refunds	<u>4,403</u>
Total	<u>\$ 74,525,146</u>

Iowa Department of Veterans Affairs
Iowa Veterans Home

Staff

Questions or requests for further assistance should be directed to:

Ernest H. Ruben, Jr., CPA, Manager
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Other individuals who participated on this audit include:

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